



DEPARTMENT OF THE NAVY  
NAVAL AIR WARFARE CENTER AIRCRAFT DIVISION

IN REPLY REFER TO:

J&A\_11\_10549

JUSTIFICATION AND APPROVAL  
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity.

Naval Air Warfare Center Aircraft Division (NAWC-AD) Lakehurst, NJ

2. Description of the Action Being Approved.

AIR 4.5X Special Surveillance Programs (SSP) has been tasked by the DOD with the enhancement of existing Persistent Ground Surveillance Systems (PGSS) and procurement of additional enhanced PGSS for Forward Operating Bases (FOBs) throughout Afghanistan and Iraq. This action is for a Fixed Price (FP) contract with Neany Inc. of Hollywood, MD.

3. Description of Supplies/Services.

This fixed price contract will include the purchase of twelve (12) PGSS Ground Control Stations (GCSs) and twenty four (24) 45Kwatt Generators. The requested Neany hardware is designed to enhance the capabilities of the existing PGSS systems currently fielded in support of Operation Enduring Freedom (OEF) as well as outfit additional PGSS sites as requested by Joint Urgent Operational Need (JUON) CC-0306 through Mod 3.

The PGSS System provides round-the-clock real time Intelligence, Surveillance, and Reconnaissance (ISR), Force Protection, FOB Protection, and Route and Counter-Improvise Explosive Device (C-IED) support to the FOBs throughout OEF. The system has been responsible for numerous IED emplacement detections, person of interest tracking and capture, weapons detection, and overall improved battlefield awareness to the Combatant Commander (COCOM).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Statutory Authority Permitting Other Than Full and Open Competition.

10 U.S.C. 2304(c)(2), Unusual and compelling urgency.

5. Rationale Justifying Use of Cited Statutory Authority.

The U.S. military has had a continuing and urgent problem with maintaining the physical security and force protection of FOBs in remote locations operating as part of the global war on terror. Isolated FOBs have been repeatedly attacked without warning by enemies of freedom (EOF), which have inflicted heavy casualties on U.S. Forces. The technology being fielded as part of PGSS is specifically tailored to protect U.S. Forces by providing the ability to detect, locate, identify and conduct surveillance of potential EOF forces that are approaching in the distance, giving U.S. Forces ample time to assess the threat and respond appropriately. The rapid deployment of the PGSS will help minimize the loss of life of U.S. forces, will decrease casualties, will improve force protection and will immediately and seamlessly interface with already-deployed intelligence, surveillance and reconnaissance systems. The immediacy and urgency of this requirement has been documented and validated throughout the Department of Defense as set forth below.

This procurement action is in direct support of the PGSS which addresses a JUON designated by the U.S. Central Command (CENTCOM) and General Petraeus as being critical to the warfighting activities in Afghanistan. JUON CC-0306 through Modification 3 dated January 7, 2011 supports the urgency of this requirement. This requirement has been designated a priority 02 and given a DO-A7 rating.

This procurement will provide PGSS GCS and supplemental power to the PGSS system. Competition of this requirement would delay deliveries and would jeopardize troops deployed in hostile areas and endanger mission accomplishment. Failure to award this proposed contract will detrimentally impact the availability and readiness of the PGSS and place combat forces in imminent danger.

Neany, Inc. has developed the PGSS GCS. The GCS has been integrated with the PGSS aerostat and the PGST Tower and is being utilized by the warfighter at more than 20 FOBs. The standard GCS has been updated with changes required from the field to enhance operational safety and to improve aerostat operation during low visibility or variable/high wind operations. The GCS has been integrated and developed to work with the PGSS and PGST systems and is able to operate when the GCS and Aerostat are not co-located or the GCS and Tactical Operations Center (TOC) are not co-located. Finally, the long lead items required to deliver a PGSS GCS would make an alternate manufacturer unlikely to meet the delivery requirements.

Neany, Inc. is the sole designer, developer, manufacturer, and distributor of the GCS being utilized by the PGSS system. The use of Neany provides integrated logistic support and interoperability within the PGSS system. The Government does not possess the Technical Data required to manufacture the sensors internally.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.



During concept exploration, Technical Subject Matter Experts (SMEs) from AIR 4.5x conducted market research to identify manufacturers with the needed capability that can also operate in a wartime environment. This included both an internet search to identify possible vendors and a query through the Central Contractor Registration System (CCR). Subject matter experts contacted potential manufacturers in order to determine company capabilities. Based on AIR 4.5x experience with Special Surveillance contractors and equipment, along with research done under existing contracts for similar surveillance programs, potential sources conducted demonstrations of their equipment at the Yuma Proving Grounds (YPG). These demonstrations took place in several phases from September 8 to 22, 2009, October 19 to 23, 2009 and 16 to 20, November 2009.

As a result of these demonstrations a candidate system was configured and tested prior to deployment to Afghanistan. Since that time, approximately thirty one (31) PGSS systems have been successfully deployed. We have trained more than 100 operators and mission commanders to operate the existing configuration. Operation and maintenance manuals have been developed, each based on the existing configuration. A system has been established to provide spares and other logistics support for the existing configuration.

Use of any source other than Neany, Inc. would require months of testing and would require personnel to be re-trained in the use and maintenance of another piece of equipment which would then have to be added to the operation and maintenance manuals. Additionally, another part would have to be added to the logistics support of the PGSS. The result would be substantial duplication of cost, no recoupment of these costs from a competitive procurement and unacceptable delays in deliveries.

#### 7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that the price negotiated for this acquisition is a fair and reasonable price. An independent government estimate and a price analysis shall be conducted.

In accordance with 15.403-1(b)(3) and 15.403(c)(1)(iii) cost and pricing data is not obtained when a commercial item is being acquired or when the price analysis clearly demonstrates that the proposed price is reasonable in comparison with current or recent prices for the same or similar items, adjusted to reflect changes in market conditions, economic conditions, quantities, or terms and conditions under contracts that resulted from adequate price competition.

#### 8. Actions to Remove Barriers to Future Competition.

SSP continually reassess the system and components and evaluates alternative sources for inclusion into PGSS. Should a viable alternative source emerge, SSP will conduct a suitability evaluation as required.